Development assessment: pre-lodgement and lodgement in Camden Council and Randwick City Council

20 June 2019
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Development assessment: pre-lodgement and lodgement in Camden Council and Randwick City Council

Section one – Development assessment: pre-lodgement and lodgement in Camden Council and Randwick City Council

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Development assessment: pre-lodgement and lodgement in Camden Council and Randwick City Council
Executive summary

A development application is a formal application for development that requires consent under the NSW Environmental Planning and Assessment Act 1979. It is usually lodged with the local council for processing and determination, and consists of standard application forms, supporting technical reports and plans.

In March 2017, the NSW Department of Planning and Environment (DPE) released the ‘Development Assessment Best Practice Guide’ designed to help councils assess development applications in a timely manner and provide a better experience for applicants.

DPE’s guide describes the development assessment process in five stages.

**Exhibit 1: Stages of development assessment process**


This audit assessed the extent to which Camden and Randwick City Councils’ ‘pre-lodgement’ and ‘lodgement’ stages align with DPE’s guide, as well as the Independent Commission Against Corruption’s ‘Development Assessment Internal Audit Tool 2010.’ The DPE Guide and the ICAC tool will hereafter be referred to jointly as ‘the Guidance’.

According to DPE, receiving assessment ready development applications will create a more efficient assessment process, which will lead to improved service for all customers.

DPE says that effective communication and fact finding in the pre-lodgement stage will improve the quality of applications. Pre-lodgement should:

- enable applicants to determine whether or not their development proposal could be dealt with as a complying development as opposed to lodging a full development application (DA)
- ensure applicants are aware of all administrative and information requirements prior to lodging a DA
- educate applicants on their roles and the roles and responsibilities of council staff and decision makers in the assessment and determination process.

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1 Effective from 1 July 2019, the responsibilities of the Department of Planning and Environment will reside with the newly created Department of Planning, Industry and Environment.
DPE also says that efficient lodgement processing aids assessment. The lodgement stage should ensure that:

- all DAs meet the relevant requirements for lodgement
- additional information required by council for lodgement is reasonable and consistently applied
- notification and referral of all DAs to appropriate council staff and state agencies is undertaken in a timely manner.

The three remaining assessment stages - ‘assessment', 'determination' and 'post determination' - were not included in the scope of this audit, but may be the subject of future audits.

**The Councils**

Camden Council is experiencing high levels of growth, with many parts of the local government area under a new Greenfield Housing Code (the Code) which came into effect from 6 July 2018. DPE expects the Code to ‘speed up the delivery of new homes and in greenfield areas (new release areas) across New South Wales to meet the needs of the State’s growing population and improve housing affordability’. DPE has identified Camden as one of the top five local government areas for Sydney Housing Supply with 8,850 additional homes built in the last five years and 12,350 additional homes expected to be built over the next five years.

Randwick City Council is a well-established local government area with more modest growth projections. In 2017, DPE forecast 2,150 additional homes would be built in the Randwick local government area in the following five years to 2020–21.
Conclusion - Camden Council

Camden Council's pre-lodgement and lodgement processes and procedures partially align to the Guidance. Implementation of additional recommended processes and procedures may improve transparency, application workflow and tracking, and monitoring of performance. Currently, the Council cannot demonstrate that its lodgement stage is timely or that its pre-lodgement practices are effective.

Camden Council has in place several pre-lodgement and lodgement processes recommended by the Guidance. For example, it:
- has key processes in place required for legislative and regulatory compliance
- has a duty-planner providing on-the-spot advice to potential applicants and applicants
- checks applications for completeness at the point of lodgement
- holds pre-lodgement meetings
- offers relevant information for applicants on its website
- provides sufficient assurance that it calculates and applies fees in line with regulations.

That said, it does not have in place a large number of recommended processes and some existing processes need improvement. In particular, Camden Council does not:
- have formal planning policies adopted by the elected council members which would assist applicants to better understand the Council's expectations and improve transparency
- have a clearing house to efficiently sort, prioritise and distribute applications to appropriate internal staff or external agencies, although it has adopted an alternative approach that fast-tracks straightforward applications
- have evidence explaining why meetings did not proceed for around 60 per cent of applicant requests in the period we examined
- make sufficient use of pre-lodgement meetings, with opportunities to better promote these meetings and to more quickly respond to meeting requests
- have good information on how well its pre-lodgement practices are delivering assessment ready applications or whether its lodgement stage is timely
- extensively monitor overall development assessment timeliness, and has limited information on applicant satisfaction.

Camden Council's property information system has limitations in its functionality and is not integrated with other key systems. Camden Council started accepting online lodgements in December 2018, as one of 12 councils piloting online lodgement via the NSW Planning Portal. At the time of this audit the functionality provided in the portal by DPE did not include integration with Camden Council's property information or finance systems.

Camden Council does not routinely monitor costs against revenue collected from applicants. Camden Council's costs of development assessment exceeded revenue by between $1.9 million and $2.5 million each year over the last five years. The fees councils can charge applicants are established under regulation and have not changed fundamentally since the Environmental Planning and Assessment Act 1979 commenced.

We also identified a small number of anomalies in the Council's data and systems, although we used corrected data in this report.
Conclusion - Randwick City Council

Randwick City Council's pre-lodgement and lodgement practices closely align to the Guidance. It completes the lodgement stage in a timely manner, although it cannot demonstrate the effectiveness of its pre-lodgement practices.

Randwick City Council has in place a high proportion of the pre-lodgement and lodgement processes recommended by the Guidance. For example, it:

- has key processes in place required for legislative and regulatory compliance
- has a duty-planner providing on-the-spot advice to potential applicants and applicants
- checks applications for completeness at the point of lodgement
- holds all pre-lodgement meetings requested by applicants
- offers a significant amount of relevant information for applicants on its website
- has a clearing house to efficiently sort, prioritise and distribute applications to appropriate internal staff or external agencies
- provides sufficient assurance that it calculates and applies fees in line with regulations
- monitors development assessment timeliness against targets
- has a functional electronic lodgement system in place, which commenced operation in 2014.

Randwick City Council extensively measures overall development assessment timeliness and its property information system provides a high level of integration and functionality. It met the Guidance target for timeliness in the lodgement phase on 95 per cent of occasions during the period we examined.

That said, a small number of recommended practices are not in place and the Council could improve implementation of others. Specifically, it:

- does not have formal planning policies adopted by the elected council members which would assist applicants to better understand the Council's expectations and improve transparency
- does not make sufficient use of pre-lodgement meetings, with opportunities to better promote these meetings and to more quickly respond to meeting requests
- has limited information on applicant satisfaction particularly with the pre-lodgement and lodgement stages
- does not have good information on how well its pre-lodgement practices are delivering assessment ready applications.

Randwick City Council does not routinely monitor costs against revenue collected from applicants. The Council's costs of development assessment exceeded revenue by between $4.3 million and $6.2 million each year over the last five years. The fees councils can charge applicants are established under regulation and have not changed fundamentally since the Environmental Planning and Assessment Act 1979 commenced.

The audit also identified a small number of anomalies in the Council's data and systems, although we used corrected data in this report.

Development assessment data published by DPE is dated, hampering benchmarking

At the time of this audit, the latest data on overall development assessment activity and timeliness published by DPE was for 2015–16. Councils have provided 2016–17 and 2017–18 data to DPE but this had not been published. This impacts on the ability of councils to effectively benchmark their current performance against other councils.
The NSW Planning Portal rollout commenced recently, but this has happened later and with less functionality than was originally communicated to councils

In 2016, DPE told councils that by the end of June 2017 applicants in any local government area in New South Wales would be able to lodge development applications electronically through the NSW Planning Portal. DPE also stated the portal would make it easy for councils to receive development applications submitted online without having to make costly investments in third party software systems. Camden Council decided to wait for DPE to implement this system rather than seek to put its own system in place. In December 2018, DPE released a ‘Minimum Viable Product’ (MVP) for online lodgement through the ePlanning portal to Camden Council and 11 other councils. At the time of this audit the MVP had less functionality and integration with property systems than was described in 2016.

1. Recommendations

Camden Council and Randwick City Council should work towards full and effective implementation of DPE and ICAC Guidance for development assessment pre-lodgement and lodgement.

1. Both Councils should:

   a. publish a development assessment policy or policies to assist applicants to better understand the Council’s expectations and improve transparency

   b. hold pre-lodgement meetings for as many complex proposals as possible, to increase the likelihood that development applications are ‘assessment ready’ when received, and:

      - make it easier for applicants to book meetings

      - do more to promote the benefits of meetings for applicants with complex projects

      - hold meetings sooner after requested by applicants and more quickly communicate outcomes to applicants.

   c. improve monitoring of the pre-lodgement and lodgement stages, including analysing the effect of pre-lodgement meetings on assessment readiness of applications, once enough have occurred to allow a valid analysis

   d. improve their development assessment data quality assurance practices.

2. Camden Council should:

   a. evaluate the costs and benefits of a clearing house process for development applications that fall outside the fast track processing stream

   b. improve its systems and approaches for development application retention, tracking, and monitoring

   c. work with the Department of Planning and Environment to increase the functionality of its online lodgement system and integrate it with other systems.

The responses of the Councils to the audit report are at Appendix one.
1. Introduction

1.1 Development assessment

Developments require approval from a council, Regional Panel, Sydney Planning Panel, Local Planning Panel or the Minister for Planning and Public Spaces. There are nine different planning approval pathways in New South Wales. The size and scale of the development determines which of the assessment pathways is appropriate. Of these pathways, local development is the most common type of development in New South Wales, with projects ranging from home extensions to medium sized commercial, retail and industrial developments.

Exhibit 2: Planning approval pathways

A development is considered local development if:

- a local environmental plan or State environmental planning policy states that development consent is required before the development can take place
- it is not a Regionally Significant or State Significant Development.

Local councils are the consent authority for local development unless a State environmental planning policy specifies the Minister as the consent authority.

A development application is a formal application for development that requires consent under the NSW Environmental Planning and Assessment Act 1979. It is usually lodged with the local council for processing and determination and consists of standard application forms, supporting technical reports and plans.
1.2 Guides to efficient and effective development assessment

This audit identified two key publications which provide guidance to councils on assessing development applications efficiently and effectively.

In March 2017, in recognition of the role the development assessment process plays in delivering new housing and the Premier’s priority for faster housing approvals, DPE released the ‘Development Assessment Best Practice Guide’. In April 2010, the Independent Commission Against Corruption (ICAC) released a ‘Development Assessment Internal Audit Tool’.

Exhibit 3: Development assessment guides

Source: DPE and ICAC publications, available on their respective websites.

1.3 About the audit

This audit assessed the extent to which Camden and Randwick City Councils’ pre-lodgement and lodgement processes align with the guidance in ‘Development Assessment Best Practice Guide’ and ‘Development Assessment Internal Audit Tool’ (hereafter referred to as the Guidance). The Guidance is designed to help councils to:

- provide pre-lodgement advice to help applicants understand what they can do to facilitate expeditious processing of their development application
- accept, notify and refer development applications to support timely assessment and determination
- calculate, verify, invoice and collect development application fees effectively and on a timely basis.

We did not examine the 'assessment', 'determination' or 'post determination' stages in this audit, but may do so in future audits.

Further information on the audit scope and criteria is at Appendix three.
1.4 The auditee councils

Randwick City Council is a Sydney Metropolitan Council and Camden Council is a Sydney Metropolitan Fringe Council.

Exhibit 4: Local government area dwelling approvals 2017–18

Camden Council is experiencing high levels of growth, with many parts of the local government area under a new Greenfield Housing Code (the Code) which came into effect from 6 July 2018. DPE expects the Code ‘to speed up the delivery of new homes and in greenfield areas (new release areas) across New South Wales to meet the needs of the State’s growing population and improve housing affordability’. DPE has identified Camden as one of the top five local government areas for Sydney Housing Supply with 8,850 additional homes built in the last five years and 12,350 additional homes to be built over the next five years. The Australian Bureau of Statistics (ABS) estimated that in 2018 the population in the Camden local government area was just over 94,000 and DPE forecasts the population will grow to 225,000 by 2036.

Randwick City Council is a well-established local government area with more modest growth projections. In 2017, DPE published housing supply forecasts indicating 2,150 additional homes were expected in Randwick City Council local government area by 2021–22. The ABS estimated that in 2018 the population in the Randwick City local government area was just over 154,000 and DPE forecasts the population will grow to 180,000 by 2036.

These different profiles are also reflected in the number of development applications approved over time.
Exhibit 5: Development applications approved by Camden Council and Randwick City Council

Source: Audit Office research.

While Exhibit 5 shows the number of development applications approved by Camden Council and Randwick City Council have followed a similar pattern over time, Exhibit 6 below shows the value of these developments has risen sharply in Camden Council whereas it has not in Randwick City Council. Analysis of the trends in development types over this period indicates this is attributable to increases in more complex developments such as infrastructure and subdivisions. The number of development assessment applications approved per annum valued $5.0 million and over in Camden Council increased from 7 to 29 between 2007–08 and 2015–16 whereas in Randwick City Council it decreased from 13 to 6 over the same period.
1.5 Overall assessment timeliness

Timeliness of development assessment is important to applicants. Delivering a timely assessment requires council to have effective processes and procedures that are implemented as designed. Poor timeliness can result in the assessment and determination being removed from council's control. Clause 113 of the Environmental Planning and Assessment Regulation 2000 (the Regulation) allows an applicant to deem their application 'refused' if it is not determined by a council within:

- 40 days if a straightforward application
- 60 days if a designated development, integrated development, concurrence authority is required or biodiversity development.

The applicant can then ask the Land and Environment Court to determine the application.

Clause 113 of the Regulation sets timeframes for councils to assess development applications. However, clauses 54 and 115 of the Regulation qualify these timeframes. Clause 54 allows councils to request additional information from the applicant in order to make 'proper consideration of the development application'. Clause 115 allows councils to exclude the time taken to obtain this additional information from the assessment period. This time-exclusion is informally known as 'stop the clock'.

DPE's website publishes annual data provided by councils that measures operational performance against key indicators including volume of applications, capital investment value, types of development, legal appeals and time taken by councils to process development applications.

In order to provide context for our analysis of the pre-lodgement and lodgement stages presented later in this report, we compared performance reported by the audited councils over time and against the state-wide average for a number of key performance indicators we selected from those published by DPE.

At the time of this audit, the latest data on overall development assessment activity and timeliness published by DPE is for 2015–16, despite councils submitting 2016–17 and 2017–18 data to DPE.
This impacts on the ability of councils to effectively benchmark their current performance against other councils.

The most recent comparative data available (2015–16) is included in Exhibit 7 below along with 2017–18 data provided by the two Councils. This data is unaudited. We performed limited review procedures on the Randwick City and Camden Councils’ data and identified some anomalies. These have been amended in Exhibit 7, but both Councils need stronger assurance processes to ensure ongoing accuracy.

**Exhibit 7: Performance against key timeliness indicators**

<table>
<thead>
<tr>
<th>Indicator</th>
<th>2015–16</th>
<th>2017–18</th>
</tr>
</thead>
<tbody>
<tr>
<td>90% of housing approvals determined within 40 days</td>
<td>75%</td>
<td>n/a</td>
</tr>
<tr>
<td>Mean gross assessment time</td>
<td>75 days</td>
<td>67 days</td>
</tr>
<tr>
<td>Median gross assessment time</td>
<td>49 days</td>
<td>49 days</td>
</tr>
<tr>
<td>Median net assessment time</td>
<td>35 days</td>
<td>37 days</td>
</tr>
<tr>
<td>Mean net assessment time (i.e. average gross days minus ‘stop the clock’ days²)</td>
<td>52 days</td>
<td>42 days</td>
</tr>
<tr>
<td>Percentage of DAs returned to applicant for further information (stop the clock)</td>
<td>34.2%</td>
<td>31.3%</td>
</tr>
<tr>
<td>Mean time clock is stopped</td>
<td>56 days</td>
<td>58 days</td>
</tr>
<tr>
<td>Mean development determinations per EFT staff</td>
<td>59.3</td>
<td>89.5</td>
</tr>
<tr>
<td>Percentage of DAs determined within 40 days (excluding stop the clock)</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Percentage of DAs determined within 60 days (excluding stop the clock)</td>
<td>n/a</td>
<td>n/a</td>
</tr>
</tbody>
</table>

Notes:

# Camden Council’s Local Development Performance Monitoring return 2017–18 included 115 as the result for ‘mean determinations per EFT staff’, but the correct figure was 68. The error was in the number of FTE staff reported.

## Randwick City Council’s return 2017–18 included 47 days as the result for ‘mean net assessment time’, but the correct figure was 39 days. The error resulted from the Council’s failure to amend/exclude data that related to section 8.2 review applications, section 4.55 applications, surrendered applications, the last ten per cent of the applications.

n/a Not available.

Source:


** Camden Council, LDPM 2017–18 (not audited).

*** Randwick City Council, LDPM 2017–18 (not audited).

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² Clause 115 of the EP&A Regulation allows councils to exclude the time taken to obtain additional information from applicants from the assessment period. This time-exclusion is informally known as 'stop the clock'.
As can be seen from Exhibit 7, between 2015–16 and 2017–18:

- both Councils' gross assessment time became longer (worsened)
- the mean time for which the clock is stopped (i.e., while Council seeks further information from the applicant) has fallen for both Councils (improved)
- the percentage of DAs returned to applicant (stopping the clock) improved in Camden but declined in Randwick.

Customer experience may also be affected if the determination of their application takes a long time. At the conclusion of the testing period:

- Camden Council had 53 applications undetermined for between 180 and 365 days and 18 applications undetermined more than 365 days.
- Randwick City Council had 40 applications undetermined for between 180 and 365 days and 14 applications undetermined more than 365 days.
2. Monitoring overall results

According to the Guidance, councils should systematically measure, monitor and review development assessment outcomes and timeframes against performance targets to ensure the process is transparent, accountable and outcome-focused.

2.1 Monitoring of overall timeliness

Randwick City Council’s monitoring of overall development assessment timeliness is extensive, but Camden Council’s monitoring is narrow

Exhibit 8 below illustrates Camden and Randwick City Councils’ monitoring of performance against the indicators in Exhibit 7.

Exhibit 8: Monitoring of timeliness indicators and targets

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Camden Council</th>
<th>Randwick City Council</th>
</tr>
</thead>
<tbody>
<tr>
<td>90% of housing approvals determined within 40 days</td>
<td>✗</td>
<td>✗</td>
</tr>
<tr>
<td>Mean gross assessment time</td>
<td>✓</td>
<td>✗</td>
</tr>
<tr>
<td>Median gross assessment time</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Median net assessment time</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Mean net assessment time (i.e. mean gross days minus ‘stop the clock’ days)</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Percentage of DAs returned to applicant for further information (stop the clock)</td>
<td>✗</td>
<td>✗</td>
</tr>
<tr>
<td>Mean time clock is stopped</td>
<td>✗</td>
<td>✗</td>
</tr>
<tr>
<td>Mean development determinations per EFT staff</td>
<td>✗</td>
<td>✗</td>
</tr>
<tr>
<td>Percentage of DAs determined within 40 days (excluding stop the clock)</td>
<td>✗</td>
<td>✗</td>
</tr>
<tr>
<td>Percentage of DAs determined within 60 days (excluding stop the clock)</td>
<td>✗</td>
<td>✓</td>
</tr>
</tbody>
</table>

Key: ✔ Yes  ✗ No

Source: Audit Office research, Camden Council and Randwick City Council.

Exhibit 8 shows Camden Council is monitoring four out of the ten key performance indicators. However, Camden Council has not set targets for three of these indicators. Internal management reporting utilises these performance indicators and the Council includes ‘Median net assessment time’ performance in its annual report.

Exhibit 8 shows Randwick City Council is monitoring seven out of the ten key performance indicators. The Council has set targets for six of these indicators. Randwick City Council also monitors ‘Average gross approval time for the first 90 per cent of residential development applications’ against a target of 55 days. Randwick’s internal management reporting utilises these performance indicators and a subset is included in the Council’s quarterly Integrated Planning and Reporting Framework progress report published on the Council’s website. Reporting is based on the data generated by the Council’s property information system.
2.2 Monitoring of overall applicant satisfaction

Both Councils monitor applicant’s satisfaction with the development assessment process, but have limited up-to-date information.

While timeliness is important, it needs to be considered in the context of overall customer experience with the process.

Camden Council distributes a ‘Development Customer Service Survey’ to applicants following completion of the development assessment process. Having said this, the response rate is low (about three per cent) and not sufficient to draw conclusions. Camden Council advised it reviews each response individually.

Randwick Council commissioned a ‘Development Application Research’ survey in 2015 which showed that applicant experience with the development applications process was positive overall.
3. Pre-lodgement

3.1 Pre-lodgement results

**Neither Council assesses whether pre-lodgement practices are effective**

The Guidance says that 'receiving assessment ready DAs will create a more efficient assessment process, which will lead to improved service for all customers'.

Neither Council assesses how well their pre-lodgement processes and activities are contributing to the delivery of assessment-ready applications.

In terms of customer satisfaction, 76 per cent of respondents to Randwick City Council's 2015 'Development Application Research' survey said that its pre-lodgement process met their expectations. Two-thirds said they knew about the pre-lodgement meeting service and that this was aimed at more complex developments. Camden has not surveyed applicants specifically on their pre-lodgement experience.

3.2 Overall alignment with Guidance

**Randwick City Council has implemented most pre-lodgement processes recommended in the Guidance and Camden Council has implemented several of these processes**

Both Councils provide informal and formal pre-lodgement advisory services. Both Councils also have a Duty Planner service available on site for applicants and potential applicants.

Randwick City Council currently rotates planners from its assessment teams to fill this role, but would prefer to have a dedicated Duty Planner. The Council advertised for a full time Duty Planner position but did not find any suitable applicants. The assessment teams also had vacancies during the audit.

**Exhibit 9: Skill shortages in town planning**

Skill shortages in planning have been documented over the last 15 years. In 2004, the Planning Institute of Australia, the national body representing planning and the planning profession, completed the first National Inquiry into Planning Education and Employment noting 'the shortage of planners remains one of the greatest concerns to the planning profession and the integrity of the planning system'. In a 2017 publication, the Planning Institute of Australia acknowledged the challenges in retaining young planners and the planner shortage in Sydney. Universities have recently increased their planning course intakes but there will be a lag until these students enter the workforce.


Camden and Randwick City Councils both provide information and resources relevant to the development assessment process on their websites, such as:

- forms, checklists and guides relating to development applications
- determining if a development application is needed
- how to prepare a development application
- online development assessment tracking
- information about pre-lodgement meetings.

Camden Council also hosts Developer and Home Builders Forums annually which aim to provide a platform for information sharing between the Council and its regular customers.
As shown in Appendix two, Randwick City Council has 35 of the 44 processes recommended in the Guidance applicable to it, while Camden Council has 24 out of the 42 processes applicable to it. ³

**Neither Council has formal planning policies, and Camden Council also does not have a procedures manual to guide applicants**

Neither Camden Council nor Randwick City Council have formal planning policies adopted by the elected council members as recommended in the Guidance. Such policies would improve the general control framework, better communicate both Councils’ expectations to potential applicants and provide greater transparency on the process of lodging and assessing a development application.

The Guidance recommends councils develop a procedures manual on the development assessment process which documents the end-to-end process including pre-lodgement and lodgement stages.

Randwick City Council publishes such a document on its website, as well as several other documents that provide information on the development assessment process. This goes some way towards mitigating the absence of a formal policy, by at least providing the community with clear information on what they can expect as part of the process.

Camden Council makes documents available to potential applicants which provide some information on the development application process, but this falls short of a council-specific procedures manual and does not provide sufficient clarity around the Council’s expectations and approaches.

### 3.3 Pre-lodgement meetings

According to DPE, pre-lodgement meetings involving planners and applicants contribute to lodgement of ‘assessment ready’ development applications and positively influence the standard of development.

DPE recommends pre-lodgement meetings for complex development applications with ‘capital investment value greater than $2.0 million, residential flat buildings, multi dwelling housing and complex proposals including those with environmentally constrained sites’. Such projects represent the highest risk category of development applications, where a pre-lodgement meeting has the greatest potential to add value to the development assessment process.

**Both Councils hold pre-lodgement meetings**

Between 1 January 2018 and 30 September 2018:

- Randwick City Council held 32 pre-lodgement meetings, with 14 related to potentially complex applications
- Camden Council held 20 pre-lodgement meetings, with 19 related to complex development applications. ⁴

**Neither Council holds enough pre-lodgement meetings for complex projects and this may be impacting the timeliness of complex assessments**

Between 1 January 2018 and 30 September 2018, Camden Council held 20 pre-lodgement meetings but received 106 requests for a meeting.

Camden Council’s website acknowledges that staff may decide not to offer a meeting if they consider such a meeting would not be worthwhile.

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³ The two recommended processes associated with Design Excellence meetings apply to Randwick City Council but not to Camden Council.

⁴ Based on evidence provided during the conduct of this audit.
That said, the Council could not provide specific evidence to show that a considered decision was made to not proceed with 66 of these meeting requests. Due to the limitations of Camden Council's property information system, we could not assess whether any of these requests were for complex projects as defined earlier. These limitations included pre-lodgement meeting information not being linked systematically to development applications, and weak record keeping practices. At the time of this audit, records regarding pre-lodgement meetings had not been updated in the Council's property information system. This precluded Camden Council from extracting the information in a timely manner. The Council has since updated its property information system to include these records.

Having said this, 27 complex development applications suitable for a pre-lodgement meeting were lodged by applicants and determined by Camden Council in the same period. Pre-lodgement meetings occurred for three of these applications. The assessment time of the remaining 24 complex applications in this group was relatively high, with nine taking more than 60 days gross assessment time and seven taking more than 180 days gross assessment time.

As at December 2018, Camden Council had been considering 15 applications for 400 days or more. A pre-lodgement meeting was only held for four of these. A further seven may have benefited from a meeting given the issues holding up determination. These included the need for approval from State agencies (e.g. Roads and Maritime Services) or identification of associated issues such as Voluntary Planning Agreements.

Between 1 January 2018 and 30 September 2018 Randwick City Council agreed to all 32 requests for a pre-lodgement meeting. In the same period, three complex development applications suitable for a pre-lodgement meeting were lodged by applicants and determined by the Council without pre-lodgement meetings.

As at December 2018, Randwick City Council had ten applications that it had been considering for 400 days or more. None of these applications had a pre-lodgement meeting. Seven were complex projects and may have benefited from a pre-lodgement meeting.

Neither Council does enough to promote pre-lodgement meetings for complex projects

Councils cannot force potential applicants to participate in a meeting, even if they see clear value in one. The Guidance says ‘complex’ development applications should have a pre-lodgement meeting, but legislation prevents councils making them mandatory. A council must accept an application when submitted even if it wanted a pre-lodgement meeting.

Both Councils offer pre-lodgement meetings, but they are not sufficiently promoting pre-lodgement meetings for the complex applications they receive.

Both Councils encourage potential applicants to seek pre-lodgement meetings for complex projects via their websites, but neither Council’s website readily allows a potential applicant to book a meeting.

Neither Council is timely when responding to requests for pre-lodgement meetings

The Guidance does not set out a timeframe from the request to a meeting. However, pre-lodgement meetings need to be timely if they are to encourage applicant participation. Between 1 January 2018 and 30 September 2018, for Camden Council, the average time between an applicant requesting a meeting and the date of the meeting was 34.5 days. The range was between six and 89 days. Similarly, for Randwick City Council, the average time between an applicant requesting a meeting and the date of the meeting was 44 days, and the range was between seven and 110 days. These averages are more than the Councils’ targets for determining a development assessment application and may deter applicants from requesting a pre-lodgement meeting.
Neither Council provides timely documentation to applicants following pre-lodgement meetings

The Guidance recommends the formal record of a pre-lodgement meeting is copied to the property file and provided to the applicant within two business days, and that staff provide a non-binding estimate of the likely timeframe for determination of the application. Both Councils’ procedures do not include these recommendations as requirements or targets for Council staff. In the period 1 January 2018 to 30 September 2018, for Camden Council the delay between the meeting and the formal advice letter averaged 14 days and ranged between zero and 39 days and for Randwick City Council averaged 23 days and ranged between one and 85 days. The template advice letter provided to applicants by both Councils following a pre-lodgement meeting is well structured and supports the provision of clear and thorough advice.

Camden Council does not charge a fee for pre-lodgement meetings in order to encourage pre-lodgement meeting requests. Randwick City Council charges a fee, although the Guidance acknowledges this as an acceptable approach.

Neither Council assesses the value or impact of pre-lodgement meetings

Neither Council routinely monitors the use or value of pre-lodgement meetings. Randwick City Council was able to readily extract information on pre-lodgement meetings held during the period from its property system and link these to development applications but was not monitoring the impact of the meetings on the ‘assessment readiness’ of subsequent development applications.

Camden Council was also not monitoring the impact of pre-lodgement meetings on the ‘assessment readiness’ of subsequent development applications. The Council was not able to extract information on pre-lodgement meetings from its systems readily or link these meetings to subsequent development applications systematically.

The Audit Office had to assemble the information on Camden Council's pre-lodgement meetings outlined earlier in this section from data held in various disparate Council systems including the property information system, document management system and the Application Tracker accessible from the Council’s website.
4. Lodgement

4.1 Lodgement results

Neither Council routinely monitors or reports on lodgement stage timeframes – and only Randwick has the data to do so

The Guidance recommends that lodgement, notification, referral and allocation take place on days one to six of the formal assessment process.

In the period we examined:

- Randwick City Council met this target for 95 per cent of applications
- Camden Council could not demonstrate its lodgement timeliness.

Neither Council routinely monitors or reports on lodgement stage timeframes. Randwick City Council's property information system logs the completion of these specific events, which allowed us to assess their performance. Camden Council's system does not do this.

In terms of customer satisfaction, 84 per cent of respondents to Randwick City Council's 2015 'Development Application Research' survey said that its lodgement process met their expectations. Camden has not surveyed applicants specifically on their lodgement experience.

4.2 Overall alignment with guidance

'Lodgement' of a development application describes the process of an applicant providing all information and payment of fees to council and council formally registering an application. Following lodgement, referrals are made to internal experts and State agencies when their approval is required. 'Notification' is where neighbours and the community are formally advised of the development application as per the relevant planning instruments. Applications are then allocated to the appropriate assessing officers.

Randwick City Council's lodgement processes are closely aligned to the Guidance

Randwick City Council has in place almost all lodgement processes recommended by the Guidance. This includes an online lodgement system and a lodgement clearing house. Camden Council has in place less than half of the recommended processes, has only recently started to use online lodgement and does not have a clearing house.

At both Councils' development applications are reviewed by the Duty Planner in the first instance to check the quality and content of a development application against requirements. In line with the Guidance, the Planner uses standard checklists for different types of developments. Randwick City Council's property system stores records on the basis of property address, so that the reviewer can readily consider pre-lodgement analysis and correspondence. Camden Council does not store records in this way, and manual searches of its corporate systems are required to retrieve and consider any pre-lodgement analysis and correspondence.

Both Councils' development assessment units include streams that specialise in different types of development applications. Camden Council has three dedicated streams of assessment, the Fast Track and Gateway teams assess straightforward development applications and the third, the Area teams (East and West) assess more complex applications. Similarly, Randwick City Council has two streams of assessment, the Fast Track team assesses straightforward development applications and the Development Assessment team assesses more complex applications.

Both Councils have the key processes in place required for legislative and regulatory compliance.

As can be seen in Appendix two, Randwick City Council has 21 of the 22 processes recommended in the Guidance in place while Camden Council has 10 out of 22.
Camden Council’s system shortcomings present a risk of pre-lodgement advice being ignored in the assessment process

The Guidance recommends that formal records of a pre-lodgement meeting and additional relevant documents are copied to the property file. The Guidance also recommends that evidence of pre-lodgement advisory services is provided by the applicant at lodgement to allow the application to be cross-checked with formal records.

Both Councils require applicants to provide a copy of any pre-lodgement advice with subsequent lodgements. Randwick City Council’s systems are integrated to ensure pre-lodgement advice is available at the time of lodgement to allow cross checking and consideration in the assessment process.

Camden Council’s systems do not associate pre-lodgement meeting advice with subsequent lodgements. Pre-lodgement meeting activity and development applications are stored in separate registers of the Council’s property information system and pre-lodgement correspondence is stored in the document management system. This lack of system integration requires manual searches to identify relevant pre-lodgement advice.

Camden Council should improve its systems and approaches to ensure pre-lodgement advice provided to applicants is consistently considered in the assessment process.

4.3 Online lodgement of development applications

Online lodgement allows new development applications to be lodged without physical documents. Missing information can be quickly identified through checklists within the system. Online lodgement also benefits applicants by providing an alternative to attending council’s offices for lodging applications.

Camden Council recently started using the ePlanning online lodgement system

Camden Council started using an online lodgement system during the course of this audit. It is one of 12 councils piloting DPE’s online lodgement via the NSW Planning Portal, which at this stage has limited functionality.

In December 2018, DPE released a ‘Minimum Viable Product’ (MVP) for online lodgement through the ePlanning portal to Camden Council and 11 other councils. While, at the time of this audit, the MVP had less functionality than described in 2016 - it nevertheless provides dashboards for applicants, councils and the Department and allows:

- applicants to lodge a development application to a council, withdraw an application, provide additional information requested by a council, track their application online and receive automatic email notifications at key stages
- councils to request additional information from the applicant and make a determination.

In 2016, DPE told councils that by the end of June 2017 applicants in any local government area in New South Wales would be able to lodge development applications electronically through the NSW Planning Portal. DPE also stated the portal would make it easy for councils to receive development applications submitted online without having to make costly investments in third party software systems. Camden Council awaited the introduction of the development application lodgement portal rather than seek to put its own system in place.
Randwick City Council has used an integrated online lodgement system since 2014

Randwick City Council has an electronic lodgement system. The Council officially introduced online lodgement for development applications on 1 January 2014. Online lodgement is a module within the Council's property system.

The property software used by Randwick City Council enables digital management of all development assessment processes, providing an integrated approach with property information centralised and accessible. The system also enables a range of reports to be generated and customised on different parameters. In January 2019, Randwick City Council was one of a small group of councils that started using DPE's online concurrence and referral to State authorities.

4.4 Development assessment fees

The fees councils can charge applicants to assess and determine their development applications are set under Reg 246B of the Environmental Planning and Assessment Regulation 2000.

Both Councils’ procedures provide assurance that they calculate and apply fees in line with regulations and the Guidance

Both Councils have procedures which provide assurance that they calculate, verify, invoice and collect development application fees effectively and on a timely basis. Applicants’ cost estimates for development are verified in accordance with the relevant DPE circular.

DPE recommends that applicants should obtain the support of a registered quantity surveyor for any development estimates above $3.0 million. The cost estimates are important because they impact on the calculation of the development assessment fee collected by a council. Randwick City Council's procedures provide greater assurance as the support of a registered quantity surveyor is required for development estimates above $500,000. Further, all fee quotes relating to development applications are generated from the property system and are then checked and signed by a senior officer before being issued to the applicant.

Camden Council's processes in this regard have some shortcomings. These include:

- continued use of manual, paper-based methods
- absence of an interface between the council's finance and property systems
- checking of applicants’ cost estimates by customer service staff.

Neither Council recovers the full costs of development assessment

Over the last five years, Camden Council spent between $1.9 million and $2.5 million per year and Randwick City Council spent between $4.3 million and $6.2 million per year more on assessing development applications than they received from development application fees.

The fees councils can charge applicants under Reg 246B of the Regulation, have not changed, except for CPI, since the Environmental Planning & Assessment Act 1979 commenced. In 2017, DPE identified that ‘a review of the EP&A Regulation 2000’ would present ‘an opportunity to examine whether the existing fee regime remains appropriate’. At this stage, a review of fees and charges has not commenced. A review of the fee regime should include the potential for councils to reduce costs through implementation of efficient practices, as well as considering whether fees should increase due to changes in planning laws, regulations and environmental factors.

The above figures were calculated by audit based on Camden and Randwick City Councils’ financial records. Neither Council routinely monitors costs of development assessment against revenue collected from applicants.
4.5 Clearing house process

According to DPE’s Best Practice Guide, a clearing house process enables a council to sort and prioritise applications and initiate notification, exhibition and internal and external referrals. Benefits of a clearing house also include quicker and easier access to expert advice on referrals and efficiency gains generated by bulk referrals and notifications.

Exhibit 10: Benefits of a clearing house process

Only Randwick City Council uses a clearing house process

Randwick City Council has a clearing house process in place to triage development applications and initiate notification, exhibition and internal and external referrals process. The clearing house function is carried out via a daily meeting of the Development Application Committee and is attended by coordinators of the assessment teams and development engineers. For development applications lodged online the same clearing house process takes place digitally.

Camden Council does not use a clearing house process.

The Council has implemented a different approach which separates straightforward from complex development applications and fast-tracks straightforward development applications that do not require any referrals. This aims to ensure straightforward development applications do not get distributed amongst more complex development applications.

Camden Council advised that it has explored the establishment of a clearing house and concluded that it would have little or no benefit and could have a negative impact. Camden Council could not provide evidence of such consideration or its results. The supporting information it provided was not sufficiently compelling to lead us to conclude that its approach was as good as or better than a clearing house.
Section two
Appendices
Appendix one – Response from Councils

The following appendix includes the formal responses from Camden Council and Randwick City Council to the findings in this report. The Audit Office has carefully considered both Councils’ responses.

In reference to the issues of concern raised in Camden Council’s response we have concluded that, based on objective facts, the findings in this report remain balanced, factual and complete as relevant to the audit scope.

The formal response from Camden Council disputes the factual basis for one of this report’s key findings—that applicants have sought a pre-DA meeting by completing a Pre-DA meeting application form. Our objective assessment of the information on the Council’s website (Exhibit 11) led us to conclude that applicants completing this form would have a reasonable expectation that this form was the correct way to request a pre-DA meeting. The report does not assert that this implies the Council will accept all requests for meetings, nor that the Council should accept all requests for meetings. The report does conclude that we could not find evidence that all requests made via this form received a considered assessment and response.
Exhibit 11: Extract from Camden Council’s website indicating applicants should complete the Pre-DA Application meeting form to request a meeting

**Pre DA Advice**

Prior to lodging a DA, you may wish to consult with Council.

There are three different ways to obtain pre-DA advice from Council:

1: Duty Officer Enquiry

Examples of duty officer enquiries include:

- How many car parking spaces do I need for my development?
- Can I subdivide my land and what is the minimum lot size?
- Do I need a DA to put up a sign?

Phone or visit Council’s Gran Park office and talk to the duty officer regarding your proposed development. Many DA questions can be quickly answered this way.

2: Short Pre-DA Meeting

Short pre-DA meeting topics are:

- specific questions about a particular aspect of any development that require discussion; and
- LEP or DCP variations that you wish to discuss with Council staff.

Complete and e-mail a Pre-DA Meeting Application Form to mail@camden.nsw.gov.au. As stated on the form you must provide a list of the specific questions you would like answered and concept plans of the proposed development.

Please note: Council staff will decide whether or not a short pre-DA meeting will be offered.

Following the meeting, Council staff will e-mail you a letter providing answers to the specific questions you have asked.

3: Full Pre-DA Meeting

Full pre-DA meetings are only necessary when your proposed development is large or complex.

Full pre-DA meeting topics are:

- DAs proposing large subdivisions, residential flat buildings, significant commercial developments including shopping centres and complex industrial developments;
- DAs that will be determined by the Sydney West Joint Regional Planning Panel; and
- DAs that are likely to attract a large number of submissions from the public.

Complete and e-mail a Pre-DA Meeting Application Form to mail@camden.nsw.gov.au. As stated on the form you must provide a list of the specific questions you would like answered and concept plans of the proposed development.

Response from Randwick City Council

Ms Margaret Crawford  
Auditor-General of NSW  
GPO Box 12  
Sydney NSW 2001

06 June 2019  
Ref No: D03545765

Dear Ms Crawford,

Performance Audit – Development assessment: pre-lodgement and lodgement

Thank you for the opportunity to provide a response on the above audit for incorporation into the published report.

Continuous improvement is of utmost importance and Council welcomes the audit as a means to identify further steps that may be taken to move towards the efficient and effective delivery of its pre-lodgement and lodgement services.

Council has considered each of the four recommendations that relate to our process and provide the following comments:

1. Publish a development assessment policy or policies to assist applicants to better understand the Council’s expectations and improve transparency

Council has developed a comprehensive Development Application (DA) Guide and also a Pre DA Guide, which detail the end to end process for development assessment, including pre-lodgement and lodgement stages. These guides are published on Council’s website and are also available at our Customer Service Centre.

The Pre DA Guide outlines the aims of the service to provide a better understanding of the DA process and notes the benefit of participating in a pre-lodgement meeting prior to the lodgement of any formal DA. The DA Guide sets a clear assessment framework and communicates Council’s expectations to future applicants with regard to submission requirements.

Whilst, the current guides have not been adopted by Council as a formal “policy”, the guides form part of Council’s DA Procedures and are made available to all DA applicants or potential applicants.

Therefore, moving this information into a policy adopted by the elected Council members may not provide any practical benefits given the extent of the information provided to guide the applicants. A formal policy would add also another layer of red tape and is considered to be unnecessary. In addition, it is in Council’s opinion that a policy is a mandatory statement of the principles guiding Council’s operations and decision making whereas guidelines are advisory and include explanatory statements and detail, context or recommendations for good practice. As such, the type of information and level of detail provided in the Pre DA and DA Guides are most suited to being included in a guideline rather than a policy.

Incorporating such detail in a guide also allows for greater flexibility and prompt updating and amendment of details to address legislative or operational changes or improved practices.
In conclusion, it is considered that Council’s current Pre DA and DA Guides (together with the DA checklist and website content) provides clear information that assists applicants in understanding the DA process and Council’s expectations and ensures transparency in our processes.

2. **Hold pre-lodgement meetings for as many complex proposals as possible, to increase the likelihood that development applications are ‘assessment ready’ when received, and:**
   - make it easier for applicants to book meetings
   - do more to promote the benefits of meetings for applicants with complex projects
   - hold meetings sooner after requested by applicants and more quickly communicate outcomes to applicants.

Whilst Council cannot force potential applicants to participate in a pre-lodgement meeting, Council is committed to encouraging pre-lodgement meetings for large and/or complex proposals.

Council is currently considering ways to:
   - further promote and encourage potential applicants to attend a pre-lodgement meeting
   - expedite the pre-lodgement process without compromising the quality of advice provided
   - use pre-lodgement statistics to promote the value of having a pre-lodgement meeting (refer to item 3 below),
   - further consider the issues identified in Appendix two of the final report.

3. **Improve monitoring of the pre-lodgement and lodgement stages, including analysing the effect of pre-lodgement meetings on assessment readiness of applications, once enough have occurred to allow a valid analysis.**

Council agrees that analysing the effect of pre-lodgement meetings is important in determining the value of the service and welcomes this recommendation. If the analysis confirms that pre-lodgement meetings will improve the quality of applications, and thereby reducing assessment times, Council will investigate ways to use the information to promote the value of pre-lodgement meetings including the implementation of the principles and approaches outlined in the DA Best Practice Guide.

With regard to monitoring the lodgement process, it is noted that our current process is highly structured and streamlined. Detailed information on lodgement times frames is readily available through our online application management system.

4. **Improve their development assessment data quality assurance practices.**

Council will seek to further improve development assessment data quality assurance practices by:
   - seeking clarification from the Department of Planning and Environment on required statistics;
   - preparing clear specifications for the preparation of development assessment statistics; and
   - ensuring that all statistics are reviewed by senior management prior to finalisation.

Please do not hesitate to contact Mr Frank Ko, Manager Development Assessment on 9399 8965 if you have any further questions.

Yours sincerely,

Theresa Manns
General Manager
Response from Camden Council

17 June 2019

Mr Ian Goodwin
Acting Auditor-General of NSW
GPO Box 12
SYDNEY NSW 2001

Dear Mr Goodwin,

Re: Performance Audit – Development Assessment Process – Pre-lodgement and lodgement stages

I refer to your letter dated 22 May 2019 inviting Council to provide a response to the final Performance Audit report.

Camden Council acknowledges the valuable work of your office and accepts the recommendations of this audit as we are always looking to improve the way we conduct business. Notwithstanding concern is raised with some aspects of the audit process and the content of the final Performance Audit report.

Please find attached Council’s comments in this regard.

If further information is required, please contact Jamie Erken (Manager Statutory Planning) on (02) 4645 5631.

Yours sincerely

Nicole Magurren
ACTING GENERAL MANAGER
COMMENTS ON AUDIT PROCESS AND PERFORMANCE AUDIT REPORT

General Observations

- While it is appreciated that the performance audit must be guided by relevant publications (which are limited), Council does not agree with the inflexible way Council's processes have been assessed against a document which is a "guide". Camden Council was involved in the preparation of the Development Assessment Best Practice Guide and has implemented several of the recommendations contained therein. However, as stated in its introduction, the Development Assessment Best Practice Guide "promotes a number of underlying principles". That is, it is simply a guide and individual Councils should and must tailor their operations to suit individual circumstances.

- At Camden Council we have adopted several of the recommended principles promoted in the Development Assessment Best Practice Guide and where we have deviated from the guidance it is because we believe we have established better structures and procedures for dealing with greenfield development applications.

Conclusion – Camden Council

- The comment in the Conclusion that "meetings did not proceed for around 60 percent of applicants requests" is factually incorrect. Applicants seek formal Pre-DA advice from Council by completing a "Pre-Development Application Form" – they are seeking advice not a meeting. The application form clearly states "Should the officer be of the opinion a meeting is beneficial, you will be contacted to arrange a mutually beneficial time". Council's website also clearly states that "Please note: Council staff will decide whether or not a full Pre-DA meeting will be offered". Camden Council does not charge a fee for pre-lodgement advice and the service is utilised for a variety of planning enquiries. A meeting was not offered for a number of Pre-DA requests as the matters were not complex and/or the issues involved did not require a meeting. The lack of a meeting is generally by mutual agreement (i.e. it is more convenient for the applicant to not have to attend Council's Administration Building) and where applicants specifically request a meeting, those requests are accepted by Council officers. Where meetings do not occur, there is generally dialogue between the officer and the applicant by either phone or email. Furthermore, following the receipt of the Pre-DA advice Council officers provide on-going support/advice to the applicant as they further develop their proposal.

1.5 Overall assessment timelines

- The Performance Audit report acknowledges that the number of DA's approved per annum valued $5.0 million and over in Camden increased from 7 to 29 between 2007-08 and 2015-16 (Exhibit 6). Furthermore, in 2015-16 Camden Council determined over 1,400 development applications (Exhibit 5). Despite the high workloads and the ever increasing complexity of the applications being considered, Camden Council's mean gross assessment time (67 days) was faster than the State average (75 days). Furthermore, the mean net assessment time (42 days) was also faster than the State average (52 days). Exhibit 7 also indicates that the percentage of applications returned to the applicant has improved at Camden between 2015-16 and 2017-18.

- The statistics in Exhibit 7 support Camden Council's view that where we have deviated from the Guidance it is because we have established better structures/procedures for dealing with greenfield development applications.
Camden Council has an extremely high DA approval rate (in 2014/15 the DA approval rate was 99.2% compared to the State average of 97.5% for the same year). While DA determination times are important, Camden Council contends that a high DA approval rate is as important, if not more important, in ensuring new housing and employment opportunities for current / future residents. This high approval rate also correlates with higher levels of customer satisfaction which is one of the key findings of the Performance Audit.

The overall assessment timeliness section does not consider the complexity of greenfield development applications which include the delivery of local and regional infrastructure (roads, drainage basins, riparian zones, parks etc.) and the provision of staged interim infrastructure pending the delivery of the ultimate infrastructure (half road constructions, temporary access onto local and State roads, temporary drainage basins etc.). It is also noted that greenfield proposals often require external referral to several authorities (RMS; TransGrid; Endeavour Energy; Office of Environment and Heritage; NSW Rural Fire Service etc.) and the timeliness of any responses can greatly impact on DA processing times.

2.2 Monitoring of overall applicant satisfaction

The Performance Audit report recognises that “while timeliness is important, it needs to be considered in the context of overall customer experience with the process”. As noted above, Camden Council has an extremely high DA approval rate and Council contends that this higher approval rate would also correlate with higher levels of customer satisfaction.

3.3 Pre-lodgement meeting

The Performance Audit Report states that between 1 January 2018 and 30 September 2018, Camden Council held 20 pre-lodgement meetings but received 106 requests for a meeting. These figures are not accurate and as pointed out above, applicants who complete a “Pre-Development Application Form” are requesting planning advice and not a meeting (as explicitly noted on both the application form and Council’s website).

All Pre-DA requests were responded to in a comprehensive and timely manner.

The Performance Audit report fails to recognise that Council provides Design Excellence Panel advice as part of its pre-lodgement services. As part of this process applicants are invited to attend the Design Advisory Group (DAG) meeting to discuss the complex projects that are required to be referred to the DAG under its terms of reference. The DAG is a Panel made up of three independent experts in urban design, architecture and landscape architecture and while the consideration of Pre-DA’s by the DAG may add some time to the Pre-DA process, it provides significant benefits (time and money) in the longer term.

Council issues pre-lodgement advice in the form of an advice letter, not a record of a meeting discussion, which takes longer than 2 days to prepare. The 14 day average is considered reasonable in this regard.

4.2 Overall alignment with guidance

The Performance Audit report states that Camden Council implements 10 out of 22 processes recommended in the Guidance (as indicated in Appendix 2). It is however noted that nine (9) of the processes Camden Council does not implement or relate to the fact that Camden Council has not established a clearing house. A clearing house has not been instituted at Camden Council as it would have no / limited benefit and would in fact hinder the timely...
processing of the majority of development applications (refer to comments under heading “4.5 Clearing House” below).

• The commentary that “Camden Council’s system shortcomings present a risk that pre-lodgement advice is ignored in the assessment process” are unfounded.

Camden Council has highly developed record keeping practices and Pre-DAs are stored in:
- Council’s Property and Rating System (Authority) against the property address;
- Council’s document management system (EDMS) where they are registered against the property address and stored in their own electronic folders; and
- Council’s GIS system (Intramaps) where a full history of all DA’s and Pre-DA’s are registered and identified for every property.

Formal records of pre-lodgement meetings are stored in accordance with the recommendations contained in the Guidance and there have been no instances where Pre-DA advice has been ignored in the assessment process.

4.5 Clearing house

• A clearing house has not been instituted by Camden Council as Council has developed / implemented other practices to ensure the timely assessment and triaging of development applications that are more efficient and appropriate for dealing with greenfield development applications.

As noted in the Performance Audit report, Camden Council has three dedicated streams of assessment namely the Fast Track Team; the Gateway Team; and the Area Teams (East and West). Camden Council has gone to significant effort to generate standard conditions / report templates for the types of applications being considered by both the Fast Track and Gateway Teams (which determine approximately 80% of all development applications). Applications considered by these teams rarely require referrals and accordingly a clearing house would not add value but rather would slow Council’s existing processes. For Gateway and Fast Track DAs, many of the actions identified in Exhibit 10 are undertaken by the team leader and administration staff up front so a clearing house would only slow this process down.

For Area (East and West) Team DAs, the vast majority are of such a complexity that it is impractical to operate a clearing house where all internal experts are present to provide informed feedback. This is because complex greenfield DAs require additional time to assess voluminous technical reports and emerging issues that come up on a site by site basis. The majority of these DAs are non-standard and a broad early meeting will not add value. The actions identified in Exhibit 10 are undertaken by the team leader, planner and administration staff more flexibly and efficiently without the need for a clearing house. Camden Council has also developed an “Internal Referral Matrix for DA’s” and an “External Referral and Public Exhibition Matrix for DA’s” to guide assessing officers on referral requirements. All preliminary assessments that cover the actions identified in exhibit 10 are reviewed and signed off by the team leader.

END.
### Appendix two – Councils' alignment with the Guidance

#### Pre-lodgement

1. **Make information on the development assessment process available for applicants**
2. **Communication of available pre-lodgement services**
   
   a) Council has developed and adopted planning policies achieved through effective consultation with the community, professional officers and relevant experts.
   
   b) Council has a policy setting out the nature of and limitations on the pre-lodgement advice that it provides.
   
   c) Council has developed a procedures manual on the Development Assessment process which documents the end to end process including pre-lodgement and lodgement stages.
   
   d) Council has a system in place to conduct performance monitoring as it relates to the development assessment process? Are outcomes and timeframes measured, monitored and reviewed against performance targets?
   
   e) Information is available on demand for potential applicants.
   
   f) Council website includes a dedicated Planning and Development section that provides, monitors and updates council specific resources for applicants including an explanation of the process, FAQs and contact details for pre-lodgement advisory services.
   
   g) (If yes to f.) Council website is easy to navigate? (the information is accurate, up to date and useful).
   
   h) Council can demonstrate a consistent approach to communicating to the community the information required for pre-lodgement discussions.
   
   i) Council communicates to the community the types of requests for pre-lodgement advice that it considers appropriate.
   
   j) Council communicates to the community the limitations on the pre-lodgement advice that it provides.
   
   k) Council website includes a link to the NSW Department of Planning and Environment for applicants to inform themselves at the pre-lodgement stage.
iii) Available pre-lodgement advisory services

f) Dedicated services providing general advice on DAs are available. Including: requirements for lodging a DA, relevant development standards and development controls, likely assessment stream* and timing.

* which may include Exempt Development, Complying Development, Fast Track DA, Standard DA and Complex DA.

m) Potential applicants are encouraged to use pre-lodgement advisory services for all development applications.

n) Pre-lodgement advisory services are provided free of charge.

o) Pre-lodgement advisory services are accessible during business hours.

p) Pre-lodgement advisory services are staffed by suitably qualified officers.

q) Pre-lodgement advisory services includes general queries for straightforward development applications.

r) Pre-lodgement advice is provided on the type of professional services that may be required in the preparation of applications.

s) Information is provided on when approvals from other authorities and state agencies may be required.

t) Clear information is provided on council requirements and expectations for DAs including compliance with relevant development standards and controls.

u) Pre-lodgement advice does not contain assurances on compliance with LEP, DCP etc or on merit assessment outcomes.

v) Council has in place procedures for managing and recording the pre-lodgement advice that it provides.

w) A record of pre-lodgement advisory service advice is noted on council’s electronic property system and includes the address, date and subject matter of the advice.

x) Information is provided on booking requirements for pre-lodgement meetings and panels.

iv) Council offers pre-lodgement meetings with applicants and referral authorities, (where relevant)

a) Ability to have a formal pre-lodgement meeting with council officers to discuss lodgement requirements, assessment processes and design review where required by State Environmental Planning Policy No 65 - Design Quality of Residential Apartment Development (SEPP 65).

b) Pre-lodgement meetings can be booked and are subject to fees.

c) Council has a standard process in place to record the payment of pre-lodgement fees.

d) Applicants are required to provide concept documentation (if available) a minimum of two weeks prior to the meeting.

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5 At the time of this audit Camden Council did not charge fees for pre-lodgement meetings.
<table>
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<tr>
<th></th>
<th>Camden Council</th>
<th>Randwick City Council</th>
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<tr>
<td>e)</td>
<td>Council considers/makes a decision as to the relevant assessment stream for the development proposal (which may include Exempt Development, Complying Development, Fast Track DA, Standard DA and Complex DA).</td>
<td>✔️</td>
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<tr>
<td>f)</td>
<td>Pre-lodgement meetings are mandatory for more complex DAs, for example: capital investment value greater than $2.0 million; residential flat buildings; multi dwelling housing; and complex proposals including those with environmentally constrained sites.⁶</td>
<td>n/a</td>
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<td>g)</td>
<td>Pre-lodgement meetings are not required by council for smaller-scale fast track applications.</td>
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<td>h)</td>
<td>Design Excellence meetings as required under SEPP 65 occur prior to lodgement where possible (to ensure that the design of residential flat building DAs are adequately addressed on the lodged plans).</td>
<td>n/a</td>
</tr>
<tr>
<td>i)</td>
<td>Fees are charged for Design Excellence meetings.</td>
<td>n/a</td>
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<tr>
<td>j)</td>
<td>There is consideration of attendees required for the meeting including professional staff from council, the applicant, and where practical those responsible for the preparation of architectural plans and supporting specialist reports.</td>
<td>✔️</td>
</tr>
<tr>
<td>k)</td>
<td>Council provides detailed advice on all aspects of the development process including compliance requirements, design and planning.</td>
<td>✔️</td>
</tr>
<tr>
<td>l)</td>
<td>Relevant external and internal referral requirements are identified.</td>
<td>✔️</td>
</tr>
<tr>
<td>m)</td>
<td>Representatives from other authorities or state agencies attend where it’s anticipated external referrals may require significant issues to be addressed.</td>
<td>X</td>
</tr>
<tr>
<td>n)</td>
<td>Key assessment issues and specialist technical requirements, as well as expectations regarding compliance with relevant development standards and controls are identified.</td>
<td>✔️</td>
</tr>
<tr>
<td>o)</td>
<td>Specific direction on issues of concern is provided so the applicant is clear on the resolution preferred by council.</td>
<td>✔️</td>
</tr>
<tr>
<td>p)</td>
<td>Agreement to an in-principle timeframe for determination.</td>
<td>X</td>
</tr>
<tr>
<td>q)</td>
<td>A formal record of the meeting is copied to the property file and provided to the applicant within two business days.</td>
<td>—</td>
</tr>
<tr>
<td>r)</td>
<td>Additional relevant documents such as written advice is kept on appropriate file relating to the proposed development.</td>
<td>X</td>
</tr>
<tr>
<td>s)</td>
<td>Secondary pre-lodgement meetings are available and carried out for particularly complex applications.</td>
<td>✔️</td>
</tr>
<tr>
<td>t)</td>
<td>Computers for public use are set up in the reception area of council offices so applicants can assess the NSW Planning Portal, with council customer service staff available to answer any queries.</td>
<td>✔️</td>
</tr>
<tr>
<td>Lodgement, (including DA fee, notification, referral and allocation)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>v)</td>
<td>DA submitted to council by applicant for lodgement and checked for completeness and adequacy against the Secretary’s Requirements and general compliance</td>
<td></td>
</tr>
<tr>
<td>a)</td>
<td>DA checked by the duty assessment officer in the first instance.</td>
<td>✔️</td>
</tr>
</tbody>
</table>

⁶ The planning legislation precludes councils from making Pre-DA meetings mandatory. Therefore, a rating of 'complies' cannot be achieved.
b) Council has developed and implemented an online application lodgement system for DAs.

Camden Council | Randwick City Council

- | ✓

C) Council has developed a standard internal checklist to ensure all relevant information is lodged with a development application and fees are paid.

✓ | ✓

d) Standard checklist is completed in relation to submitted application form and any required additional documentation provided.

✓ | ✓

e) Applications can only be accepted if they satisfy the Secretary’s Requirements, are generally compliant with the development standards and are supported by an acceptable level of information.

✓ | ✓

f) Councils are reasonable and consistent when requesting information in addition to the information specified by the Secretary’s Requirements.

✓ | ✓

g) Council has a schedule or equivalent of all applicable fees for different categories of development applications (e.g. lodgement fees, bonds, development application advertising fees).

✓ | ✓

h) Council has in place procedures for verifying an applicant’s cost estimates for building and associated works.

Examples include requesting copies of all quotations from the applicant, requesting an independent report from a quantity surveyor verifying the applicant’s cost estimates and checking against published estimates. (Rawlinson’s and Cordell’s). Requirements of threshold ranges also to be incorporated. ($0-$100,000/$100,001-$3.0 million/>$3.0 million).

✓ | ✓

i) Evidence on relevant property file that all required development fees are paid in full.

✓ | ✓

j) Evidence of pre-lodgement advisory services, Design Excellence Panel and/or pre-lodgement meetings where applicable, is provided and the application cross-checked with the formal records.

✓ | ✓

vi) Lodgement processed by the council

k) Satisfactory applications are accepted for lodgement (DA registered, assigned a number, prepared for clearing house).

✓ | ✓

l) Support services carry out including scanning, copying and other administrative processes.

✓ | ✓

m) Assessment officer provides the applicant an update or initial feedback on the processing of the application. Ideally within 15 days of lodgement.

✓ | ✓

vii) Clearing house conducted to vet and triage incoming applications and initiates notification, exhibition and internal and external referrals

(for councils with a high volume of annual DAs)

n) Council conducts a clearing house twice a week to vet and triage incoming applications. (if applicable - Council has a high volume of annual DAs).

✓ | ✓

o) Clearing house team is comprised of experienced senior planning staff, technical officers and other specialist council staff.

✓ | ✓

p) The clearing house identifies the appropriate assessment stream for the application (1. Fast Track, 2. Standard and 3. Other (council, IHAP or JRPP)).

✓ | ✓
q) The clearing house initiates notification and exhibition requirements. Councils apply notification and exhibition procedures that are proposal and impact specific and consistent with current government policy.

Camden Council: ✗

Randwick City Council: ✔

r) Good practice notification of DAs is followed:
   - Fast Track DAs
   - Fast track DAs should not require notification or exhibition.
   - Standard DAS
   - Notification of any Standard DAs should not exceed 14 days.
   - In determining the extent of notification, councils should consider the proposed development’s impacts on neighbouring properties and the likely level of public interest. It may be that some Standard DAs do not require notification
   - Other DAs.

Camden Council: ✔

Randwick City Council: ✔

s) The clearing house identifies internal referrals where required, such as engineering requirements and external referral agencies.

Camden Council: ✗

Randwick City Council: ✔

t) The clearing house identifies any relevant standard conditions of approval from technical officers (such as engineers) that could be included to negate the need to seek internal referral.

Camden Council: ✗

Randwick City Council: ✔

viii) Updates, file management, completing exhibition and notification requirements, completing internal and external referrals, delivering file to assessing officer with any notes or conditions from the clearing house

Camden Council: ✗

Randwick City Council: ✔

u) The clearing house is supported by administration officers who immediately carry out administrative tasks including:
   - Issuing a letter to the applicant confirming lodgement of the DA
   - Arranging notification or exhibition
   - Issuing internal and external referrals
   - Placing copies of notification and referrals on the hard copy (where applicable) and electronic file
   - Placing relevant assessment checklists on file for the allocated assessment officer
   - Placing copies of other relevant information identified by the clearing house team on the file including conditions, comments and target determination/meeting date.

Camden Council: ✗

Randwick City Council: ✔

ix) The DA is allocated to the assessment officer where required

Camden Council: ✗

Randwick City Council: ✔

v) Applications are allocated to the appropriate assessing officers.

Camden Council: ✗

Randwick City Council: ✔

w) Relevant decision maker identified as applicable at that time and target meeting dates and/or agendas for determination are scheduled.

Camden Council: ✗

Randwick City Council: ✗
Appendix three – About the audit

Audit objective
This audit assessed the extent to which Camden Council and Randwick City Councils ‘pre-lodgement’ and ‘lodgement’ stages of the development assessment process align with best practice principles for the effective and efficient determination of development applications.

Audit criteria
We addressed the audit objective by following the audit criteria:

1. Councils provided pre-lodgement advice to help applicants understand what they need to do for their development application to be processed expeditiously.
2. Councils accepted, notified and referred development applications efficiently to support prompt assessment and determination.
3. Councils calculated, verified, billed and collected development application fees effectively and on a timely basis.

Audit scope and focus
In assessing the criteria, we checked the following aspects:

• pre-lodgement, lodgement, notification, referral and allocation procedures associated with the initial two stages of the development assessment process
• pre-lodgement services accessed between 1 January 2018 and 30 September 2018
• development applications lodged between 1 January 2018 and 30 September 2018.

Audit exclusions
The audit did not:

• examine complying developments (a fast-track approval process for straightforward residential, commercial and industrial development where a DA is not required)
• question the merits of government policy objectives.

Audit approach
Our procedures included:

1. interviewing relevant staff in the selected councils
2. examining NSW and Australian Government data and documents, including legislation, policies, strategies, plans, guidelines and reviews
3. examining Camden and Randwick City Council’s websites
4. examining Camden and Randwick City Council’s data and documents, including policies, strategies, plans, guidelines and reviews
5. examining business systems used by Camden and Randwick City Councils (including online) used to facilitate and support the development application process
6. observing Council’s interactions with applicants
7. walkthroughs and sample testing of key processes
8. interviewing representatives of key stakeholders
9. researching better practice approaches in New South Wales and other jurisdictions where relevant and appropriate
10. assessing Camden and Randwick City Council’s performance against best practice approaches, principles, processes and procedures in the following key supporting documentation:
   a) The ‘Development Assessment Best Practice Guide’ issued by the Department of Planning and Environment in March 2017.

11. examining the effectiveness of Randwick City Council’s online lodgement system.

The audit approach was complemented by quality assurance processes within the Audit Office to ensure compliance with professional standards.

Audit methodology

Our performance audit methodology is designed to satisfy Australian Audit Standard ASAE 3500 Performance Engagements and other professional standards. The standards require the audit team to comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance and draw a conclusion on the audit objective. Our processes have also been designed to comply with requirements specified in the Public Finance and Audit Act 1983 and the Local Government Act 1993.

Acknowledgements

We gratefully acknowledge the co-operation and assistance provided by the liaison officers and other staff at Randwick City and Camden Councils.

Audit cost

The total estimated cost of the audit is $410,000.
Appendix four – Performance auditing

What are performance audits?

Performance audits determine whether state or local government entities carry out their activities effectively, and do so economically and efficiently and in compliance with all relevant laws.

The activities examined by a performance audit may include a government program, all or part of an audited entity, or more than one entity. They can also consider particular issues which affect the whole public sector and/or the whole local government sector. They cannot question the merits of government policy objectives.

The Auditor-General’s mandate to undertake performance audits is set out in section 38B of the Public Finance and Audit Act 1983 for state government entities, and in section 421D of the Local Government Act 1993 for local government entities.

Why do we conduct performance audits?

Performance audits provide independent assurance to the NSW Parliament and the public.

Through their recommendations, performance audits seek to improve the value for money the community receives from government services.

Performance audits are selected at the discretion of the Auditor-General who seeks input from parliamentarians, State and local government entities, other interested stakeholders and Audit Office research.

How are performance audits selected?

When selecting and scoping topics, we aim to choose topics that reflect the interests of parliament in holding the government to account. Performance audits are selected at the discretion of the Auditor-General based on our own research, suggestions from the public, and consultation with parliamentarians, agency heads and key government stakeholders. Our three-year performance audit program is published on the website and is reviewed annually to ensure it continues to address significant issues of interest to parliament, aligns with government priorities, and reflects contemporary thinking on public sector management. Our program is sufficiently flexible to allow us to respond readily to any emerging issues.

What happens during the phases of a performance audit?

Performance audits have three key phases: planning, fieldwork and report writing.

During the planning phase, the audit team develops an understanding of the audit topic and responsible entities and defines the objective and scope of the audit.

The planning phase also identifies the audit criteria. These are standards of performance against which the audited entity, program or activities are assessed. Criteria may be based on relevant legislation, internal policies and procedures, industry standards, best practice, government targets, benchmarks or published guidelines.

At the completion of fieldwork, the audit team meets with management representatives to discuss all significant matters arising out of the audit. Following this, a draft performance audit report is prepared.
The audit team then meets with management representatives to check that facts presented in the draft report are accurate and to seek input in developing practical recommendations on areas of improvement.

A final report is then provided to the head of the audited entity who is invited to formally respond to the report. The report presented to the NSW Parliament includes any response from the head of the audited entity. The relevant minister and the Treasurer are also provided with a copy of the final report. In performance audits that involve multiple entities, there may be responses from more than one audited entity or from a nominated coordinating entity.

**Who checks to see if recommendations have been implemented?**

After the report is presented to the NSW Parliament, it is usual for the entity's audit committee to monitor progress with the implementation of recommendations.

In addition, it is the practice of Parliament's Public Accounts Committee to conduct reviews or hold inquiries into matters raised in performance audit reports. The reviews and inquiries are usually held 12 months after the report received by the NSW Parliament. These reports are available on the NSW Parliament website.

**Who audits the auditors?**

Our performance audits are subject to internal and external quality reviews against relevant Australian and international standards.

The Public Accounts Committee appoints an independent reviewer to report on compliance with auditing practices and standards every four years. The reviewer’s report is presented to the NSW Parliament and available on its website.

Periodic peer reviews by other Audit Offices test our activities against relevant standards and better practice.

Each audit is subject to internal review prior to its release.

**Who pays for performance audits?**

No fee is charged for performance audits. Our performance audit services are funded by the NSW Parliament.

**Further information and copies of reports**

For further information, including copies of performance audit reports and a list of audits currently in-progress, please see our website www.audit.nsw.gov.au or contact us on 9275 7100.
OUR VISION
Our insights inform and challenge government to improve outcomes for citizens.

OUR PURPOSE
To help parliament hold government accountable for its use of public resources.

OUR VALUES
Purpose – we have an impact, are accountable, and work as a team.
People – we trust and respect others and have a balanced approach to work.
Professionalism – we are recognised for our independence and integrity and the value we deliver.